CIO Status Report

Lemuel C. Stewart, Jr.
CIO of the Commonwealth

Information Technology Investment Board
October 18, 2007

Highlights Since Last Meeting

- Hiring under way for Southwest Enterprise Solutions Center (SWESC)
  - Opening ceremony to be held December 12

- IT infrastructure security assessments completed and letters of assurance sent

- Governor Kaine, by proclamation, has designated October as Cyber Security Awareness Month for the Commonwealth

Highlights Since Last Meeting

- Virginia's Web site recognized by *The Center for Digital Government* as a top "Best of the Web" winner

- VITA exceeded Governor's telework goal of 20%
  - 45% of workforce on telework schedules

Audit Corrective Action Plan Update

- May 2006 APA Report on Information Technology Governance and VITA Operations
    - 20 of 21 actions are reported as complete
    - 1 remaining action is #18 "Adopt Uniform Infrastructure Procedure"
        - Scheduled for June 2008 completion with a plan to correct deficiencies due October 31

VITA Budget Reductions and Efficiencies

- $2.3 million Budget Adjustments

(millions)	FY08	FY09	FY10
GF Overhead FTE Cuts	($0.10)	($0.10)	($0.10)
Fee for Service Budget Cuts	($1.20)		
GF VGIN Savings		($0.30)	($0.30)
Total	**($1.30)**	**($0.50)**	**($0.50)**
Grand Total			**($2.30)**

- Current Year (FY July 1, 2007 – June 30, 2008)
  - GF base budget is approximately $2.5 million
  - 5% GF reduction ($127,000)
  - Proposed cut in overhead/indirect cost by $1.3 million (5%) this fiscal year
    - To be returned to agencies via credit and overhead adjustment

Major IT Project Status Report Summary

CIO Assessment	Number	Percent	Dollar Value	Percent
Active – Red	0	0.0%	$0	0.0%
Active – Yellow*	6	24.0%	$401,707,873	76.8%
Active - Green	19	76.0%	$121,464,503	23.2%
Suspended	0	0.0%	$0	0.0%
Total	25	100.0%	$523,172,376	100.0%

*$370M attributed to the STARS project.

NOTE: See the ITIB Major IT Project Status Report for October 2007 (provided separately) for a complete status of the Commonwealth major IT project portfolio.

Oversight Makes the Difference: Improvements Since 2002

- Commonwealth CIO/ITIB approve project plans and oversee project development

- Process governed by best practices established by Project Management Institute

- Project managers must be qualified

- Projects report monthly to CIO and ITIB

- Projects subject to independent verification and validation

- Project changes tightly controlled
  - Deviations of 10% or more in cost and/or schedule require CIO/ITIB approval

Major IT Project Status 2002-06

- 69 major IT projects
  - $934.6 million value

- 47 successfully completed
  - $407.8 million value
    - Largest - Web Based SOL Technology Initiative (DOE) - $160.3 million
    - Average value - $8.7 million
    - Median value - $2.8 million

Major IT Project Status 2002-06

- 22 active projects
  - $526.8 million value
  - Largest - STARS (VSP) - $357.2 million
  - Average value - $23.9 million ($6.2 million without STARS)
  - Median value - $4.8 million

Major IT Projects Canceled

- ## 1998 – 2002
  - Number: 5*
  - Actual Cost: $68.5 million*

- ## 2002 – 2006
  - Number: 0
  - Actual Cost: $0

* Source: JLARC "Review of Information Technology Systems Development," 2003

VITA Status Report
Implementation of the Comprehensive Infrastructure Agreement with Northrop Grumman

Lemuel C. Stewart Jr.
CIO of the Commonwealth

House Appropriations Committee
October 15, 2007

VITA Key Statutory Roles

- Statewide information technology services for government entities
  - 900 customers statewide
- E-911 support services for 137 local governments
- Statewide Geographical Information System for state agencies and local governments
- Security policy and standards for Executive, Judicial and Legislative Branches
- Project management oversight for all IT projects of more than $100,000
- IT infrastructure modernization via PPEA agreement with Northrop Grumman

Goals of IT Infrastructure Partnership

- **Transform the IT Environment**

  From multiple, incompatible systems, inconsistent standards, aged equipment and gaps in security to a modern, robust system that can facilitate government efficiencies

- **Keep Costs Consistent With Market**

  Ensure competitive pricing for IT services going forward by leveraging at least two tools – a "most favored" contract clause and the ability to benchmark pricing when warranted

- **Achieve Results by Reinvesting Savings**

  Finance the transformation process out of future savings at an annual cost no greater than the previous level of spending which bought only a 1980s infrastructure

State of Commonwealth Infrastructure Pre-VITA (2003)

Inadequate IT Expenditure Management

▲ Agency-centric technology expenses $45 million higher vs. leveraged statewide contracts

■ Only 25% of computer server capacity and 2% of printer capacity utilized

▲ No certified project managers overseeing billions in IT investments

▲ $100 million in past systems development project losses (JLARC study)

Color Code
▲ Problem corrected
■ Progress with more to do
● Planned resolution 2nd and 3rd year of partnership

State of Commonwealth Infrastructure Pre-VITA (2003)

■ Almost no enterprise applications; $556 million spent on individual agency financial applications over five years (APA study)

▲ Technology spend managed as a discretionary expense vs. planned and budgeted investments

▲ Minimal SWaM participation in technology spend

Color Code
▲ Problem corrected
■ Progress with more to do
● Planned resolution 2nd and 3rd year of partnership

15

State of Commonwealth Infrastructure Pre-VITA (2003)

Aging, Inefficient Infrastructure and Support Functions

■ 1980s technology environment
  - o 60% of equipment eight to 10 years old
  - o No maintenance on 1,000s of devices

■ 42 separate help desk operations and dozens of agency specific e-mail systems

● Nine separate and incompatible telecommunications networks supporting Commonwealth emergency systems

Color Code
▲ Problem corrected
■ Progress with more to do
● Planned resolution 2nd and 3rd year of partnership

State of Commonwealth Infrastructure Pre-VITA (2003)
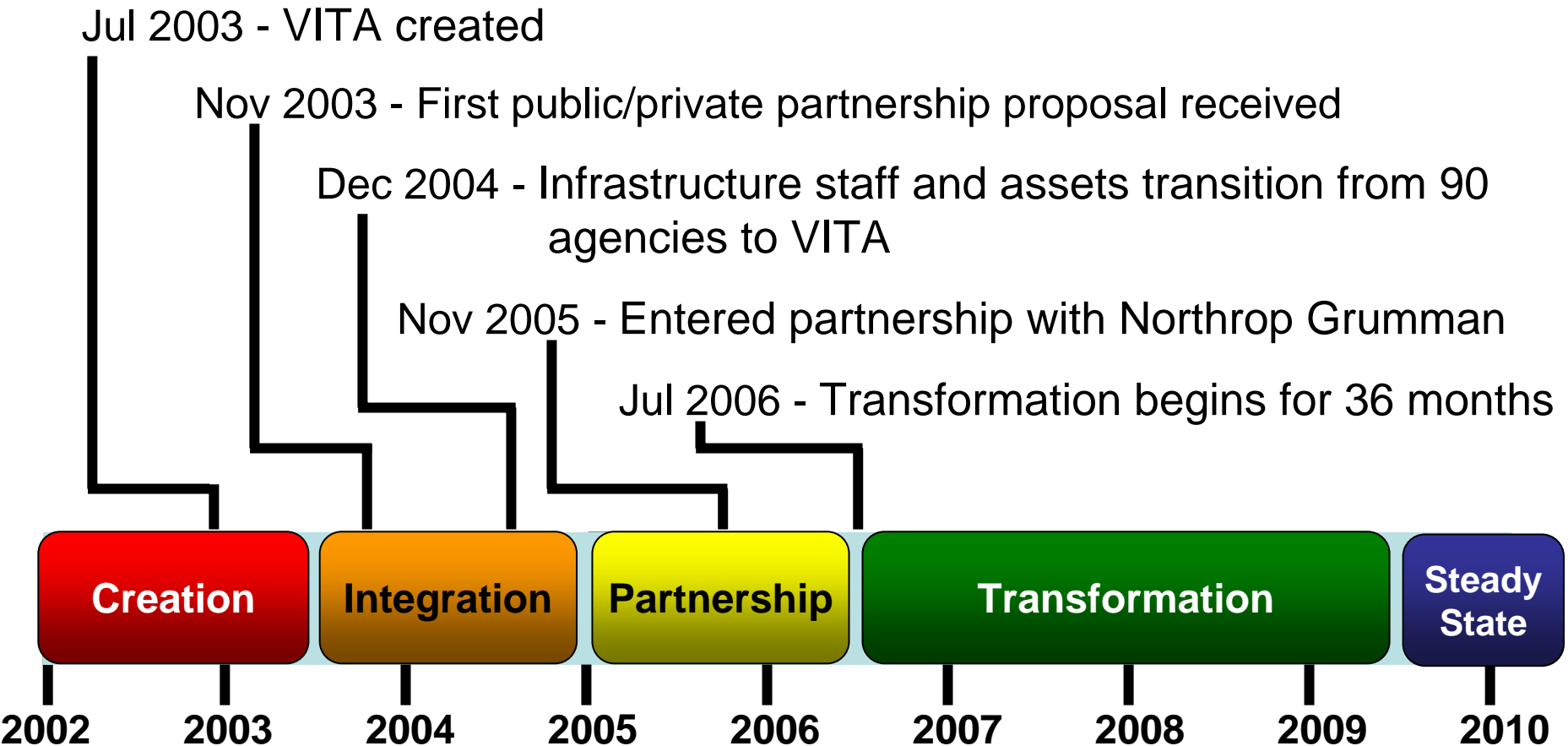
The Commonwealth at Risk

- ■ 72% of agencies with inadequate security
- ▲ Commonwealth's primary data center rated a security risk
- ● Inadequate disaster recovery
  - o 2,000 independent agency sites with minimal capability to recover in a disaster
- ▲ Copyright software license violations on 1,000s of personal computers
- ■ 90% of agency Web sites not in compliance with federal accessibility laws

Color Code
- ▲ Problem corrected
- ■ Progress with more to do
- ● Planned resolution 2nd and 3rd year of partnership

Building a 21st Century Commonwealth Infrastructure

Jul 2003 - VITA created

Nov 2003 - First public/private partnership proposal received

Dec 2004 - Infrastructure staff and assets transition from 90 agencies to VITA

Nov 2005 - Entered partnership with Northrop Grumman

Jul 2006 - Transformation begins for 36 months

Creation	Integration	Partnership	Transformation	Steady State

2002 2003 2004 2005 2006 2007 2008 2009 2010

"Jump-Starting" Infrastructure Investments Through Private Partners

Messaging Services

Enterprise Exchange/Outlook E-mail
Enterprise Collaboration Tools
Active Directory, DNS
$25M Investment

Desktop

Mass Desktop Refresh
Network Printer Consolidation and Refresh
Enterprise Desktop Management Systems
$35M Investment

Help Desk

Enterprise Help Desk in Russell and Chesterfield
Field Based Agents and Technicians for Level 3
Enterprise Help Desk System (Peregrine)
$10M Investment

Mainframe and Servers

New IBM and Unisys Mainframes
Consolidation and Refresh of Servers
Migration of servers to the Data Center
$50M Investment

Transformation

People – Process – Tools
Reliable, High-Performance,
Enterprise-Wide IT Infrastructure
$270 Million Investment

Security
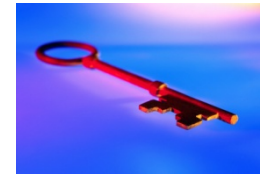
Enterprise Security Operations Center
Computer Security Incident Response Center
Secure Internet Gateway
$10M Investment

Tier 3 and Tier 2 Facilities

New Data Center/Office Building in Chesterfield
New Disaster Recovery Center and Help Desk
in Lebanon, Russell County
$60M Investment

Network

New Commonwealth-Wide MPLS Core WAN
LAN upgrades to Local Switches/Routers as Needed
Network Re-addressing of IP, DHCP
$60M Investment

Voice / Video

Voice-Over IP Network Optimized for
Voice and Video Traffic
$20M Investment

Commonwealth Enterprise Solutions Center

May 2006

Commonwealth Enterprise Solutions Center

June 2007

Photo: Whiting-Turner

Southwest Enterprise Solutions Center

November 2006

Southwest Enterprise Solutions Center
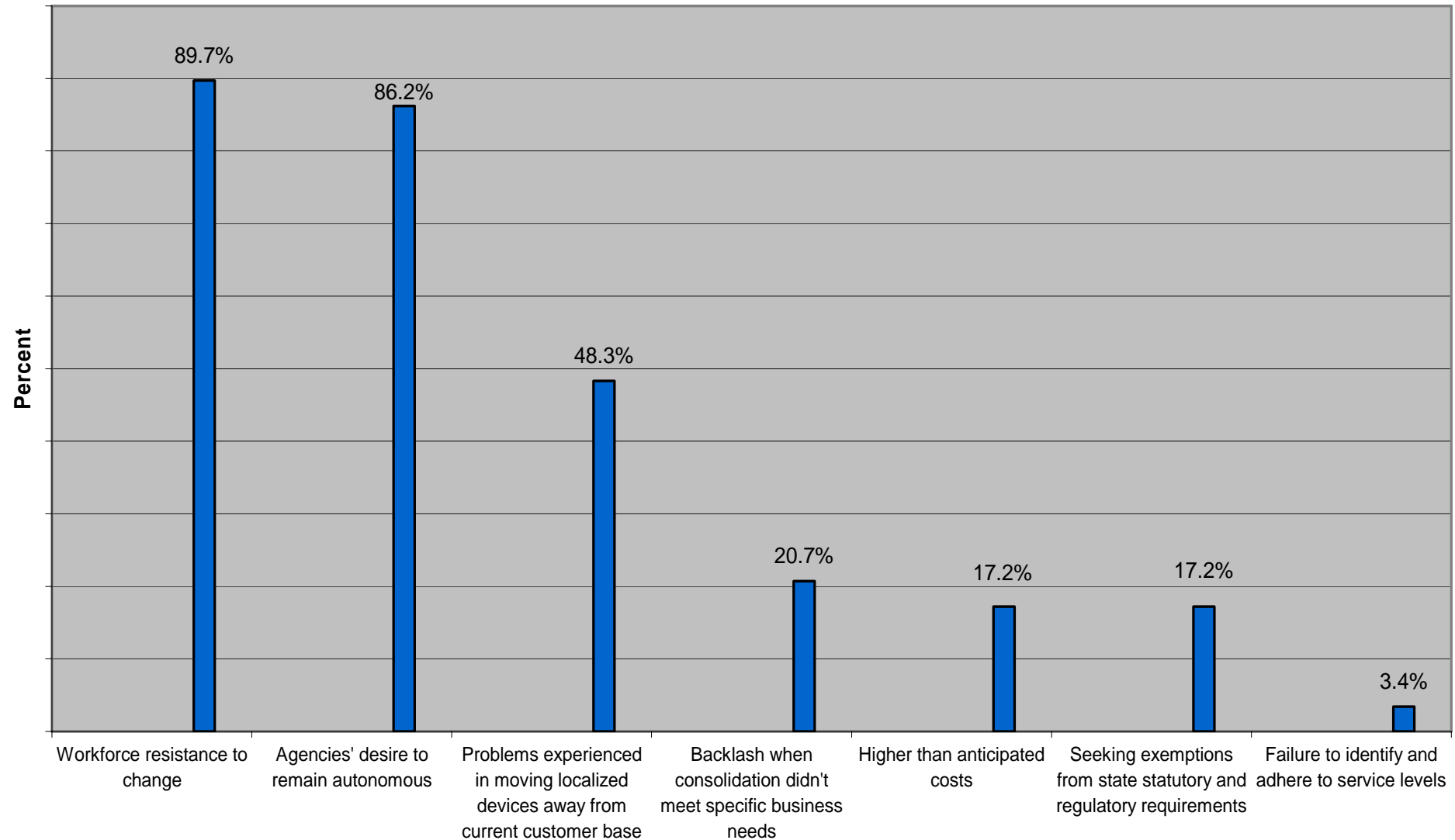

October 2007

Southwest Enterprise Solutions Center

- On track for opening November 2007
- Creates more than 433 jobs in Russell County, rural southwest Virginia
- Will house
  - Primary statewide help desk = enhanced customer service
  - Backup data center = disaster recovery
  - Northrop Grumman's East Coast service delivery hub for IT operations
- Represents economic development, workforce and education investments of approximately $40m

Obstacles or Challenges Experienced as a Result of Consolidation Initiatives of Various States

(Source: NASCIO's 2007 survey)

Percent (y-axis)

Obstacle/Challenge	Percent
Workforce resistance to change	89.7%
Agencies' desire to remain autonomous	86.2%
Problems experienced in moving localized devices away from current customer base	48.3%
Backlash when consolidation didn't meet specific business needs	20.7%
Higher than anticipated costs	17.2%
Seeking exemptions from state statutory and regulatory requirements	17.2%
Failure to identify and adhere to service levels	3.4%

Customer Service Request Fulfillment

- Procure to Pay (P2P) is process customers use to order commodity goods and services (PCs or maintenance)
- Formed a workgroup of agency IT and procurement experts to help us address challenges
- Improvements made; more work underway

Initially

Cumbersome processing

Delivery delays

Lack of data and measures

Today

Streamlined review / processing

Standard products defined

Improved data and metrics

Future

Integrated service catalog

Order tracking and status

Order-to-installation data and metrics

Time From Northrop Grumman PO Completed to Delivery – Standard Products – September

93% delivered by day 14

# of POs (y-axis, 0 to 16)

Number of Days (x-axis, 0 to 40)

Legend: ■ Number of POs
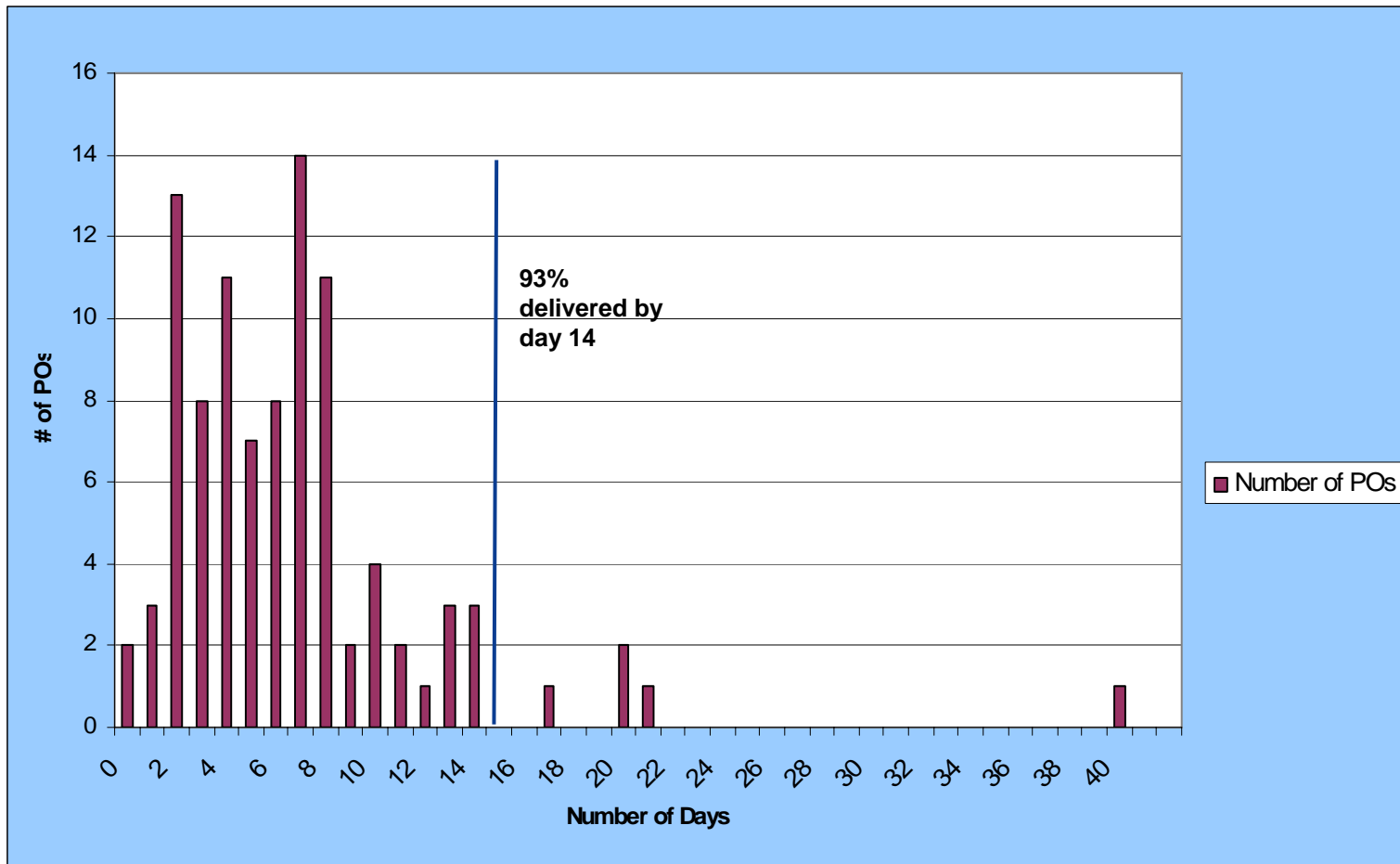
The Challenge for '08 Budget

- As was the case in FY07, the $236m/year partnership spending cap remains the same and VITA service rates as approved by JLARC in December 2006 also have not increased

- Why are agencies experiencing cost variations?
  - New FY07 federal cost allocation mandate
  - VITA is a fee-for-service agency
  - Some General Fund programs transitioned to fee-for-service (i.e. security)
  - Historical practices of under-funding IT programs

Why Some Agency Spend Will Increase

- Under-funded IT programs = added risks/liability
  - Software license copyright violations on thousands of PCs
  - 60% of PCs and servers eight years old and older
  - 50% of hardware with no maintenance contract
  - 22 agencies with no technical support staff for over 1,000 computer devices
  - 72% of all agencies with inadequate IT security

- Correcting these irregularities cost an additional $10 million annually
  - Budgets adjusted in FY07

VITA Indirect Costs FY03-FY07

	FYO3	FYO4	FYO5	FYO6	FYO7
% Indirect	15.6%	17.1%	12.1%	10.3%	9.5%
% Direct	84.4%	82.9%	87.9%	89.7%	90.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Challenge of Cost Comparisons

Home PC User

Typical Home PC User
21% of the standard VITA Support Costs

Printer

Modem

Personal Computer
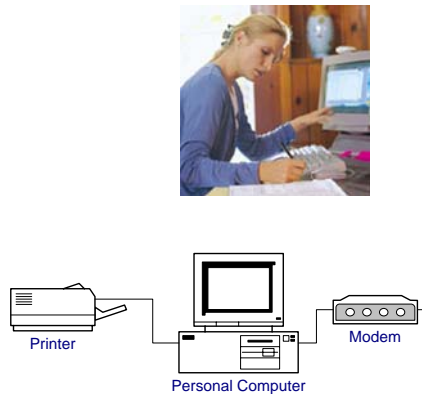
**One-Time Purchases
Hardware & Operating Systems
100% of standard home PC costs
21% of standard VITA support costs**

Desktop Services

Typical VITA PC User - $85 to $120/month
100% of the standard VITA support costs

**Hardware &
Operating Systems
21%**

**Hardware Maintenance,
Software
(Productivity Suite, Virus
Protection, e-Mail)
16%**

Internet

Internet

VITANet

User ISP

Firewall

**LAN Services -
Shared Network Resources** Switch/Router/Hub

**Technical Support
(On-Site & Remote, Maintenance)
39%**

Servers

Printer

Scanner

**Problem
Management
(Security,
Governance)
17%**

IBM Mainframe

Storage

**Indirect Support
(Acquisition, Capacity
Planning, Administrative)
7%**

Fax

Unisys Mainframe

Summary

- Significant progress has been made over the first 15 months in modernizing and correcting the deficiencies in the Commonwealth's infrastructure
- Commitment, cooperation and collaboration is required for success
  - This is painful, but necessary for the Commonwealth's future
  - It's no surprise there is resistance to change and complaints about increased costs to do business the right way
  - It's about leveling the technology program across all agencies
  - We have and will experience bumps along the way, and will work effectively to resolve issues

VITA Financial Update

Jim Roberts
Director, Finance and Administration

FY 2007 Financial Results

(millions)	Actual Jul 06 - June 07			FY 2007 Budget	Actual Revenue as % of Budget
	Revenue	Expense	Net		
Fee for Service (ISF)	$ 268.6	$ 270.6	$ (2.0)	$ 251.9	106.6%
E-911 (Enterprise)	$ 49.6	$ 47.1	$ 2.5	$ 54.2	91.5%
General Fund	$ 6.3	$ 6.2	$ 0.1	$ 6.2	101.3%
Vendor Surcharges (IFA)	$ 4.8	$ 7.0	$ (2.2)	$ 4.4	109.1%
Federal Grants	$ 0.6	$ 0.5	$ 0.2	$ 0.4	175.0%
	$ 329.9	$ 331.3	$ (1.4)	$ 317.1	104.0%

- Fee for Service programs experienced a modest loss for FY 07

- Cash on hand was strong on June 30, with no treasury loans

- Accounts Receivable totaled $20.0 million, with only about $5.0 million past due – down substantially from earlier in the year

FY 2008 YTD Financial Results

(millions)	Actual Jul-Aug 07			FY 2008 Budget	Actual Revenue as % of Budget
	Revenue	Expense	Net		
Fee for Service (ISF)	$ 42.3	$ 28.8	$ 13.5	$ 252.8	16.7%
E-911 (Enterprise)	$ 8.0	$ 6.7	$ 1.3	$ 52.0	15.3%
General Fund	$ -	$ -	$ -	$ 2.5	0.0%
Vendor Surcharges (IFA)	$ 0.9	$ 0.9	$ -	$ 4.8	18.8%
Federal Grants	$ -	$ -	$ -	$ 0.6	0.0%
	$ 51.2	$ 36.4	$ 14.8	$ 312.8	16.4%

- Revenue and expenditures for first two months of fiscal year in line with projections

- Cash on hand stable at $15.0 – 20.0 million, with no treasury loans

- Accounts Receivable at $33.0 million, most current

Cash Flow (ISF-Fee for Service)

VITA - ISF Cash On-Hand (end of month)
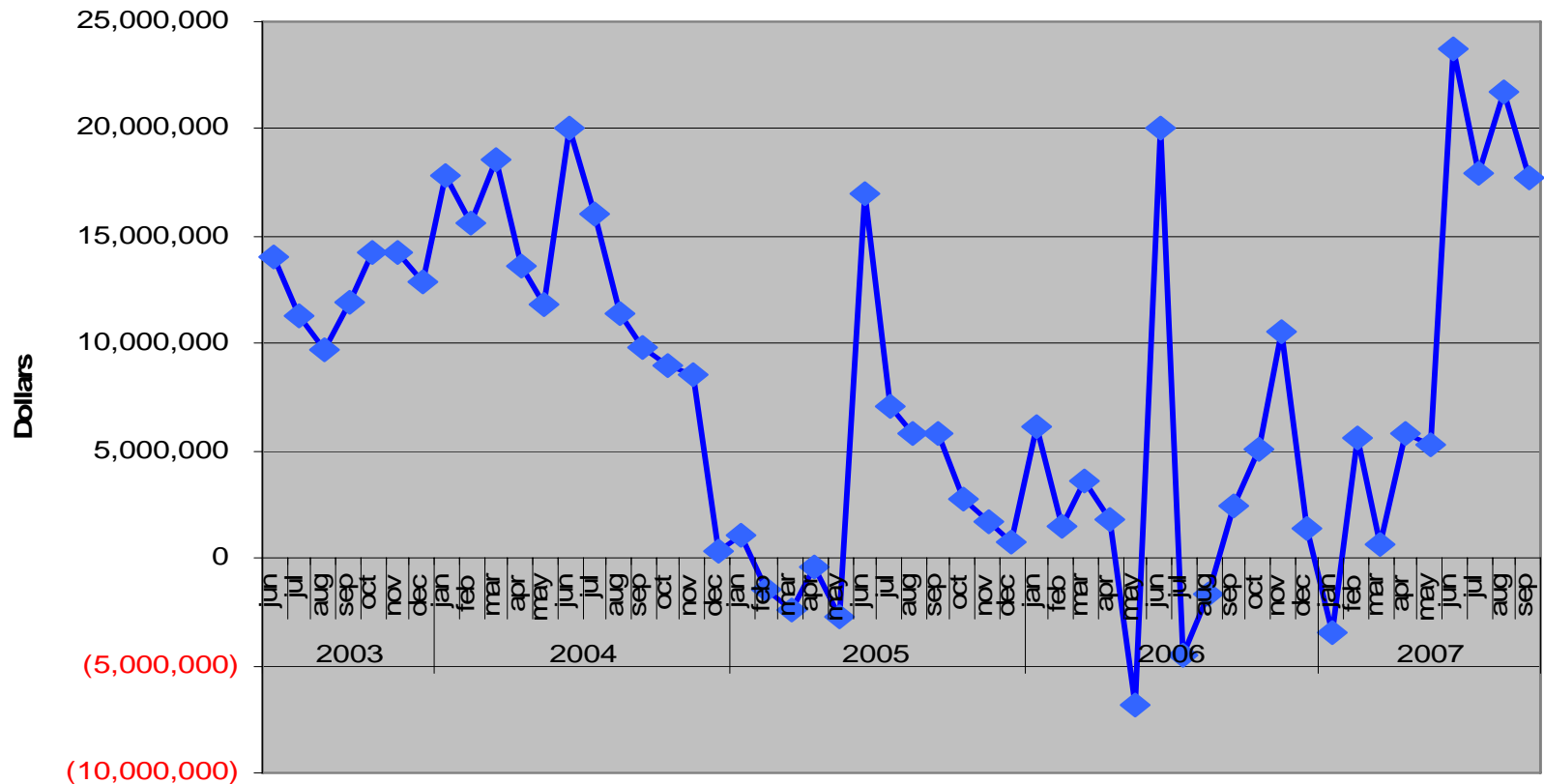
Small, Women and Minority Business

- FY07 Actual = $30.0 million

- FY08 Goal = $50.0 million

- FY08 YTD (2 months) = $5.4 million (20%)

- Three major contracts/ subcontracts with SWaM vendors executed in August by VITA/Northrop Grumman

VITA - SWaM
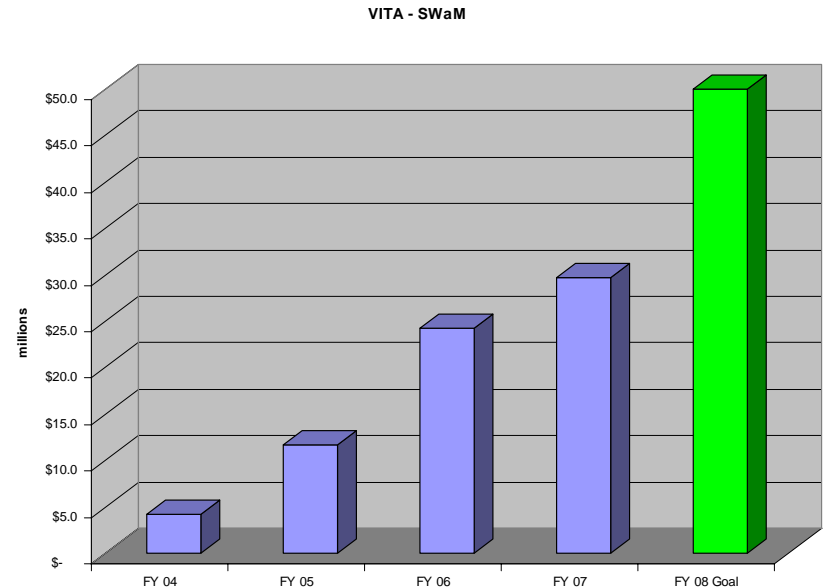
SWaM Spending Detail

($ millions)	Total	MBE		WBE		SBE		SWAM Total	% Total
FY 04 Total	$98.5	$2.5	2.5%	$0.1	0.1%	$1.6	1.6%	$ 4.2	4.2%
FY 05 Total	$97.4	$6.5	6.6%	$2.7	2.7%	$2.5	2.6%	$ 11.7	12.0%
FY 06 Total	$157.4	$12.7	8.1%	$1.7	1.1%	$9.8	6.2%	$ 24.3	15.4%
FY 07 Total	$232.0	$13.9	6.0%	$2.9	1.2%	$12.9	5.6%	$ 29.7	12.8%

July 07 - Aug 07

	Discretionary TOTAL	MBE		WBE		SBE		SWaM Total	
PRIME TOTAL	$ 27.5	0.1	0.5%	0.0	0.1%	0.4	1.4%	0.5	1.9%
SUBCONTRACTOR		3.8	13.9%	0.2	0.9%	0.8	3.1%	4.9	17.8%
Prime & Subcontract Total		4.0	14.4%	0.3	0.9%	1.2	4.5%	5.4	19.8%
GOAL FY O8	$ 232.0	$ 30.0	13%	$ 5.0	2%	$ 15.0	6%	$ 50.0	22%

Agency-Level Internal Control Assessment (ARMICS)

- Virginia's Comptroller directive 1 - 07

- "Based on the results of this evaluation, VITA can provide reasonable assurance that internal controls over recording of financial transactions…compliance with applicable laws and regulations, and stewardship of Commonwealth assets as of September 27, 2007 were operating effectively."

- Consultant's comments
  - "VITA's current state operations, as evidenced in the operations-focused controls statements in ARMICS, confirms that VITA has many strengths as well as opportunities to further mature the business model, infuse a formal internal control system and build repeatable business processes that will endure"

IT Infrastructure Partnership Program

Fred Duball

Service Management Organization Director, VITA

October 18, 2007
IT Investment Board

Service Delivery Dashboard
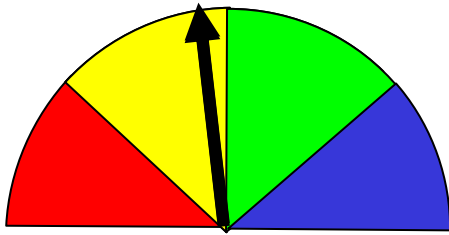
Central Metrics

	Jul	Aug	Sep
B	46.1%	50.0%	46.1%
G	53.9%	50.0%	53.9%
Y	0%	0%	0%
R	0%	0%	0%

Field Metrics

	Jul	Aug	Sep
B	86.1%	88.6%	85.7%
G	8.6%	7.1%	8.6%
Y	3.3%	1.6%	2.9%
R	2.0%	2.7%	2.9%
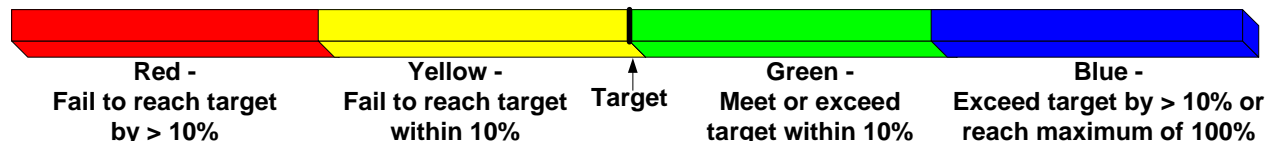
- **Accomplishments**
  - 1,500 patches to the mainframe operating system without issue
  - Eliminated a security risk by blocking access malware on Bank of India site
  - PC support being moved from agency specific subcontracts to NG direct support
  - Unresolved Peregrine tickets reduced 20% while doubling PCs reporting issues to Peregrine

- **Significant Incidents:**
  - DFP slow networks, replacing switches and servers
  - Lost VDOT application under development, last backup 5 weeks old, contracted for emergency recovery
  - DMV and VEC South Boston Call Center phone lines down 2 days caused rerouting of calls
  - DMHMRSAS requested ITP replace 28 old servers; accelerated server transformation

Legend

Red - Fail to reach target by > 10%	Yellow - Fail to reach target within 10%	Target	Green - Meet or exceed target within 10%	Blue - Exceed target by > 10% or reach maximum of 100%

Customer Satisfaction Surveys Are Strong and Consistent

Help Desk Support
5. 2% Response

Question 5: Overall Satisfaction

Customer Agreement

- Strongly Agree — 62.8%
- Agree — 23.5%
- Slightly Agree — 5.6%
- Slightly Disagree — 2.0%
- Disagree — 2.3%
- Strongly Disagree — 3.7%

0% 10% 20% 30% 40% 50% 60% 70% 80%

■ Overall

Q5 Avg. = 5.31

Question 5: Overall Satisfaction

Average Rating: 1.00–6.00

10-Feb, 24-Feb, 10-Mar, 24-Mar, 7-Apr, 21-Apr, 5-May, 19-May, 2-Jun, 16-Jun, 30-Jun, 14-Jul, 28-Jul, 11-Aug, 25-Aug, 8-Sep, 22-Sep

— Weekly Average — Overall Average

Desktop Support
12.3% Response

Question 5: Overall Satisfaction

Customer Agreement

- Strongly Agree — 77.6%
- Agree — 15.1%
- Slightly Agree — 2.8%
- Slightly Disagree — 1.8%
- Disagree — 0.6%
- Strongly Disagree — 2.1%

0% 10% 20% 30% 40% 50% 60% 70% 80%

■ Overall

Q5 Avg. = 5.61

Question 5: Overall Satisfaction

Average Rating: 1.00–6.00

7-Apr, 21-Apr, 5-May, 19-May, 2-Jun, 16-Jun, 30-Jun, 14-Jul, 28-Jul, 11-Aug, 25-Aug, 8-Sep, 22-Sep

— Weekly Average — Overall Average
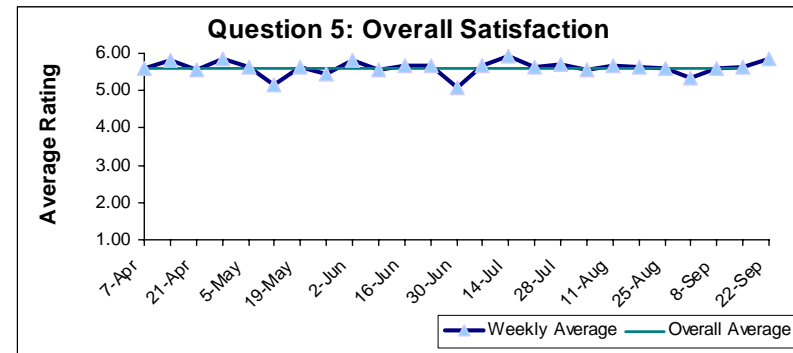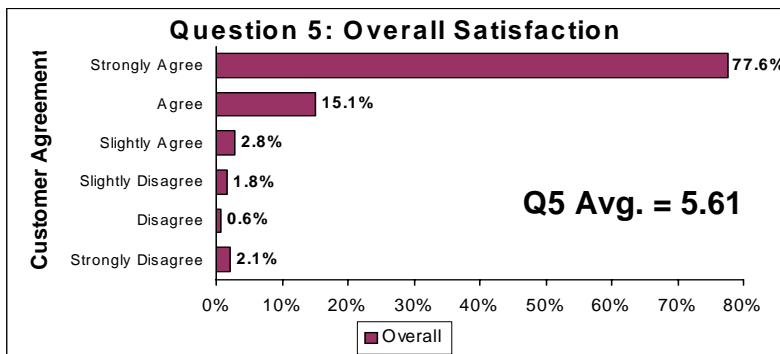
Customer Service Request Fulfillment

- Request for Service (RFS) is new "project" work, incremental to the contract
- RFS requests are growing steadily

Status	Totals (5/29/07)	Total Value (5/29/07)	Totals (10/1/07)	Total Value (10/1/07)
Total RFS Requests	126		177	
Proposals in development[1]	54	n/a	59	n/a
Proposals submitted to customer[2]	30	$8.34M	60	$11.01M
Proposals cancelled	42	n/a	58	n/a
Proposals under review by customer	5	$1.00M	20	$1.64M
Proposals authorized to proceed[3]	25	$7.34M	40	$9.37M
RFS projects in implementation[4]	16	$6.81M	23	$3.38M
RFS projects completed[5]	9	$0.53M	17	$5.99M

eVA Request to Delivery - Standard Products
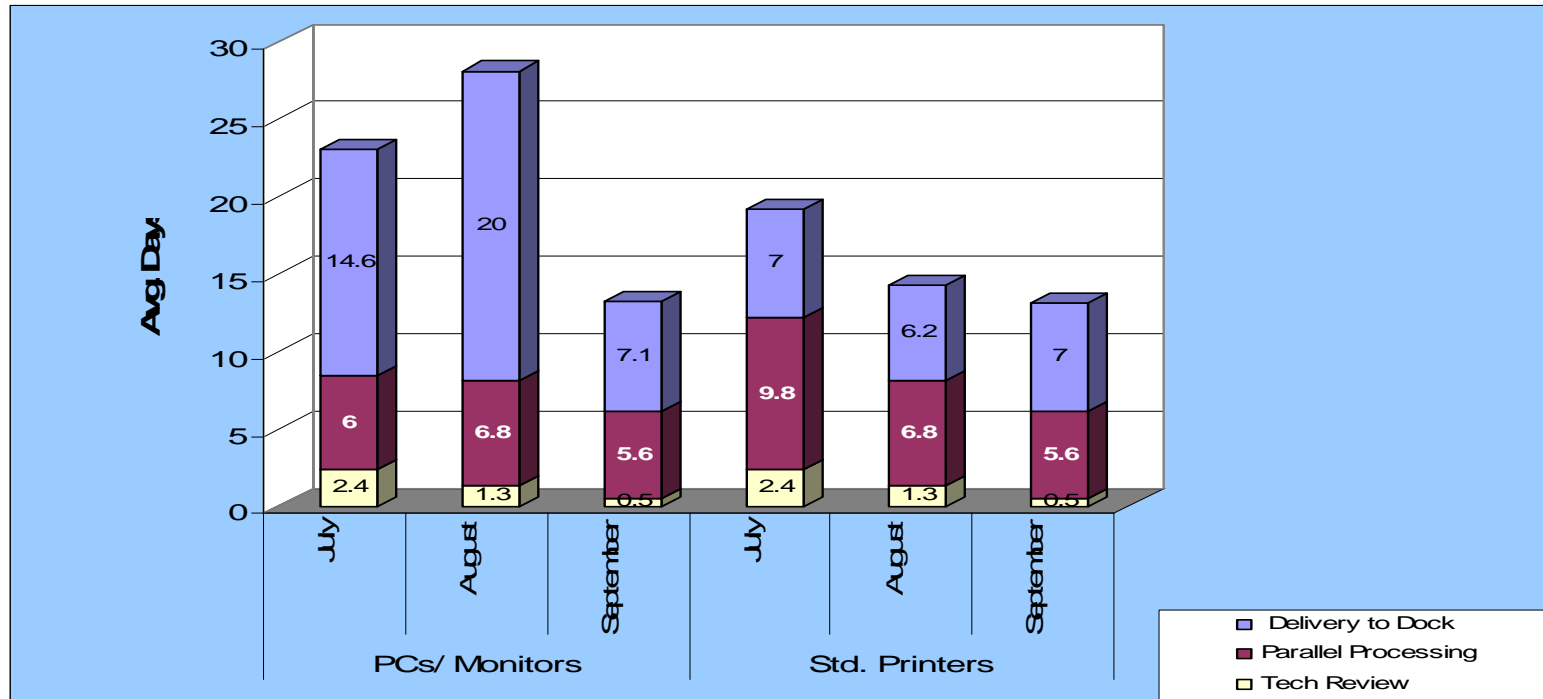
- Procure to Pay (P2P) is process for ordering IT commodities

- Incremental P2P improvements made; service catalog project underway

Transformation Dashboard
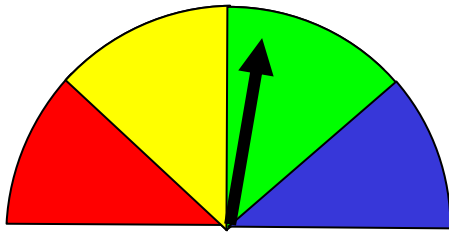
Towers

EUS	**Desktop**	**G**
	Helpdesk	**Y**
	Messaging	**G**
DCS	**Server**	**G**
	Mainframe	**Y**
	Facilities	**G**
NWS	**Data Network**	**Y**
	Voice Network	
	Security	**G**
GEN	**Internal Apps**	**G**
	Cross-Functional	**Y**

- **Accomplishments for the quarter**
  - Exceeded desktop refresh rate (6,000 vs 4,500 target)
  - Successfully moved 192 servers from RPB to CESC - migrated Agriculture & Consumer Services mainframe to CESC
  - Completed office moves to CESC; SWESC on target for 11/1 completion
  - Network migration completed at 190 agency sites
  - ITIL change, configuration and release management implemented across partnership 9/4

- **Challenges**
  - Maintaining desktop refresh rate during 2008 Session
  - Finalizing mainframe cutover date with impacted agencies
  - Complex coordination between ITIL processes, Procedures Manual and preparation for Managed Services phase of the CIA

	2006	**2007**	**2008**	**2009+**

months: J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A

Domains — **Transformation Phase (36 Months to June 2009)**

General
- Service Commencement Date 7/1/06
- Process Cutover (Internal Apps)
- Procedures Manual (10/1/06)
- Procedures Manual Plan (8/1/06)
- ITIL Process Optimization Complete SCD+23 (6/1/08)
- DR Test at SWESC SCD+22 (5/1/08)

EUS

Help Desk
- Incident Mgmt. Web Accessible (8/1/06)
- Knowledge Mgt. System Operational P10/1/06-A4/01/07
- Production Incident Mgmt System / SPOC Help Desk (SWESC) SCD+24 (7/1/08)

Desktop
- Begin Desktop Refresh (P3/01/07-A3/15/07)
- Desktop & asset mgmt system operational (P1/1/07-A1/29/07)
- Complete Desktop Refresh SCD+32 (3/1/09)

Messaging
- Single Statewide Address List SCD+9 (P4/1/07-A3/22/07)
- DNS / WINS Infrastructure SCD+13 (9/1/07)
- Enterprise messaging 90% complete SCD+ 35 (6/1/09)

DCS

Facilities
- CESC Ready for Occupancy SCD+12 (7/1/07)
- SWESC Ready For Occupancy SCD+16 (11/1/07)

Mainframe / Server
- Infrastructure Ops Center (Interim) 11/1/06
- RPB Migration Complete SCD+19 (2/1/08)
- Server Consolidation 90% Complete SCD+35 (6/1/09)

NVS

Data Network
- Temp. NOC (11/1/06)
- MPLS Core Complete SCD+14 (9/1/07)
- Enterprise NOC SCD+16 (11/1/07)
- Complete Agency LAN migration (90%)SCD+30 (1/1/09)
- Arch Network Blueprint Addressing Plan (2/1/07)

Voice
- VoIP Architecture Design And Recommendations SCD+9 (4/1/07)
- VoIP Completion (90%) SCD+63 10/01/11

SS

Security
- Interim Security Incident tracking and Mgmt System SCD+3 (10/1/06)
- Enterprise Vulnerability Assessment Program Operational SCD+20 (3/1/08)
- CSIRC Complete SCD+20 (3/1/08)
- ESOC Complete SCD+23 (6/1/08)

SCD   +6   +12   +18   +24   +30

▽ = Delivered   ▼ = Delivered, awaiting final VITA acceptance   ▽ = **Delayed**

Service Area	Technology Domain	Q3 07	Q4 07	Q1 08
End User Services	Help Desk		Installation of Telephony and Dedicated Incident Mgt System and Agent workstations installed (12/07) ▽	▽ SWESC Staffed and Trained 01/01/08
	Desktop	▼ Qtr 2 Desktop Refresh (7/1)	Qtr 3 Desktop Refresh (10/1) ▼	Qtr 4 Desktop Refresh (01/08) ▽	Qtr 5 Desktop Refresh (04/1/08) ▽
	Messaging	Standup Messaging Back End (8/30) ▼	▼ Begin Messaging Refresh 10/1	
Data Center Services	Facilities	SWESC Ready for Occupancy (11/1/07) ▽ ▼ CESC Ready for Occupancy (7/1/07)		RPB Migration Complete(03/01/08) ▽
	Mainframe and Server	1st Mainframe Mock cutover test (10/1/07) ▼ Commonwealth Server Consolidation 25% complete (11/1/07) ▽		Move DR Infrastructure to SWESC (03/1/08) ▽ Virtual Tape Automation Complete (03/1/08) ▽ Move MF Workload RPB to CESC ▽ (02/1/08)
Network Services	Data	MPLS Core Complete Begin Agency Migration (9/1/07) ▼ ▼ Connectivity to CESC (7/1/07)	▽ Connectivity to SWESC (11/1/07) ▼ Enterprise NOC (11/1/07) ▼ 15% LAN Migration SCD +15 (10/1/07)	45% LAN Migration ▽ (04/1/08) ▽ 30% LAN Migration (01/1/08)
	Voice			
Security Services	Security		ESOC Transitional Complete (11/1/07) ▽	Enterprise Vulnerability Assessment Complete (03/1/08) ▽ VITA security Dashboard (03/02/08) ▽ Computer Security Incident Response Center Complete (03/1/08) ▽
General Services	Internal Apps		Service Catalog Demo (10//07) ▽	▽ Service Catalog Production Demo (12/07)
	Cross Functional	▼ Change Management "go live" ▼ Phase 2 Incident Mgt Begins (8/20/07)		

▼ = Delivered   ▼ = Delivered, awaiting final VITA acceptance   ▼ = Complete   ▼ = Delayed

Partnership Final Results – Year 1

	Jul '06	Aug	Sep	Oct	Nov	Dec	Jan '07	Feb	Mar	Apr	May	Jun
Funded Obligation	$36.1	$51.0	$65.0	$81.6	$108.4	$122.4	$136.4	$152.7	$172.4	$196.0	$210.5	$230.5
ACTUALS	$31.8	$48.6	$63.3	$80.4	$106.7	$122.2	$139.0	$156.6	$171.1	$190.7	$210.2	$230.5

$230.5M Actual Total:
- $82.9M Current Ops
- $1.4M Facilities
- $57.3M Milestones
- $88.9M Managed Exp
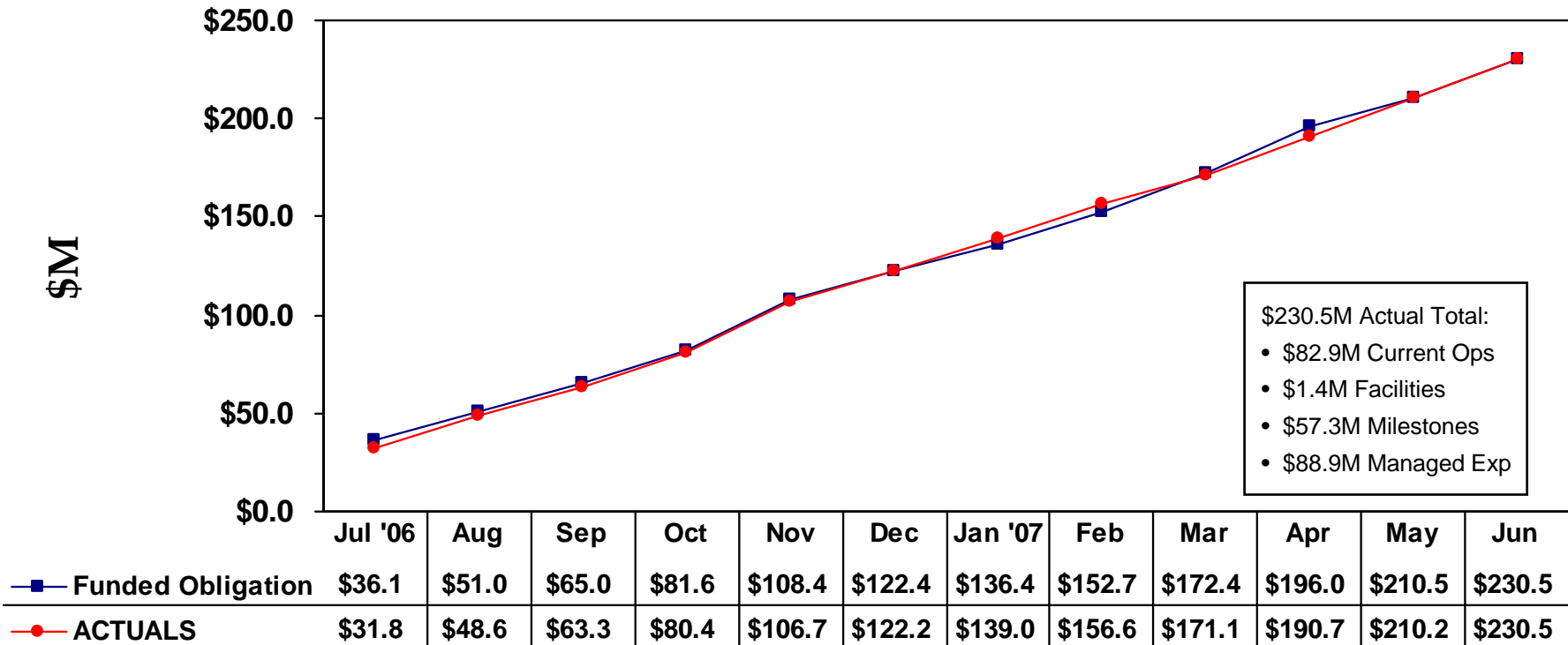
➢ Final results for 2007 fiscal year show actual results at the funded obligation; small short-pay of final milestone invoice required to accomplish Cap compliance

Partnership Budget and Forecast – Year 2

Actuals   *Forecast*

$230.5M Forecast Total:
- $61.7M Current Ops
- $6.3M Facilities
- $72.7M Milestones
- $77.7M Managed Exp
- $12.1M Microsoft Lic.

	Jul '07	Aug	Sep	Oct	Nov	Dec	Jan '08	Feb	Mar	Apr	May	Jun
Funded Obligation	$17.6	$30.8	$54.3	$73.5	$92.8	$110.0	$128.3	$142.6	$174.8	$190.8	$212.9	$225.0
ACTL+FCST	$13.7	$26.6	$55.7	$77.6	$98.0	$116.3	$136.5	$148.4	$176.9	$192.1	$210.4	$230.5
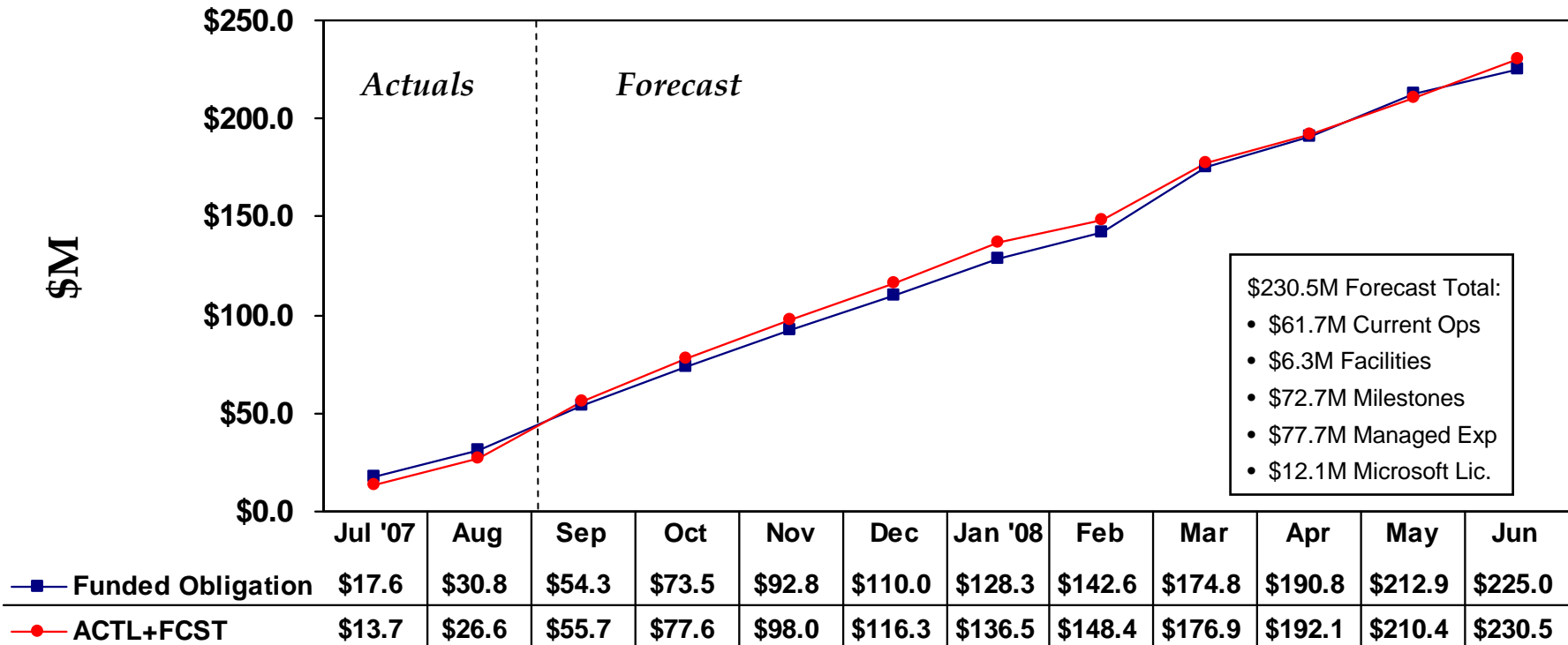
➤ Cumulative expenses through August are tracking under budget; this is due to the delay of several milestones
➤ Full year forecast shown will require strict financial management and cost control

Independent Program Maturity Assessment

- 4th of 4 periodic reviews scheduled for late November, early December

- 2 primary focal points

  – updates and communication of program plan elements

  – assessment and consultation on approach to internally prioritized "focus areas"

- Mid to long-term planning for IPMA as part of the ITP's overall quality assurance strategy – ITP Quality Assurance

  – Contract audits –

    • SAS 70 complete – report due Nov 1

    • 8 Security audits complete, reports in process

    • Operational and Financial audit being finalized

  – Program Office evolution

    • Internal quality assurance function

Data Breach Notification

Peggy Ward
Chief Information Security Officer
of the Commonwealth

What?

Early adoption of 9.5.2 Data Breach Notification, #'s 3-6, which was approved by the ITIB July 2007 with an original compliance date of July, 2008

Why?

Borne of participation in the Governor's Working Group for Executive Directive No. 5 "Consumer Privacy" – requested by Delegate Plum to pave the way for comprehensive data breach legislation in Virginia by leading the way

When?

Recommending that the ITIB approve a compliance date effective November 1, 2007

COV ITRM Standard
SEC501-01 Section 9.5.2 #'s 3-6

Applies to Personally Identifiable Information (PII), which means name and any of the following

- Social Security Number
- Drivers license or identification card number
- Financial account number, credit or debit card number
- Other personal identifying information, such as insurance data or date of birth

Section 9.5.2 Data Breach Notification

3. Provide appropriate notice to affected individuals upon the unauthorized release of unencrypted PII by any mechanism, including, but not limited to:

   a. Theft or loss of digital media including laptops, desktops, tablets, CDs, DVDs, tapes, USB drives, SD cards, etc.;

   b. Theft or loss of physical hardcopy; or

   c. Security compromise of any system

   The agency shall provide this notice without undue delay as soon as verification of the unauthorized release is confirmed, except as delineated in #6, below.

4. Provide notification that consists of

   a. A general description of what occurred and when;

   b. The type of PII that was involved;

   c. What actions have been taken to protect the individual's personal information from further unauthorized disclosure;

   d. What, if anything, the agency will do to assist affected individuals, including contact information for more information and assistance; and

   e. What actions the agency recommends that the individual take

5. Provide this notification by one or more of the following methodologies, listed in order of preference

    a. Standard mailing to any affected individuals whose mailing addresses are available

    b. Electronic mail to any affected individuals whose e-mail address has been provided to the agency as a contact mechanism

    c. In the case of large scale breaches or data breaches where neither form of communication listed above is available or feasible, public communications channels, including

       - Conspicuous notification on the agency website; and

       - Notification by statewide public media, including newspaper, radio and television

6. Not provide notification immediately following verification of unauthorized data disclosure only if requested by

    a. Law enforcement entities where it would interfere with an ongoing investigation; or

    b. Commonwealth Information Security Officer or designee where it would interfere with a determination of the scope of the data breach or investigation of root cause

Agency Impact

- Presented at the September 13, 2007, Information Security Officers Advisory Group meeting attended by 95 people

- No one opposed the idea and some even stated it is a positive move

Suggested Motion

I move that the current compliance date of July 2008 for the data breach notification requirements as contained in COV ITRM Security Policy, Sec 500-02, Section 3.1.8 and COV ITRM Security Standard SEC 501-01, Section 9.5.2, items #3 - #6 be revised to require compliance not later than November 1, 2007.

Internal Audit Report

Peggy Ward
Chief Information Security Officer
of the Commonwealth

Internal Audit Status

- Electronic Data Removal Audit Report was issued in September, 2007 with 6 findings

- Special project underway to assess controls over the IT Partnership asset movement and data removal processes

- Two new hires so Internal Audit is now fully staffed

VITA Customer Councils Update

Debbie Secor

Director, Customer Account Management

VITA Customer Councils

- Directors formed Customer Councils in April 2007

- Additionally, a Small Agency Council (owned by the CAM Director) was formed along with an Employee Council (owned by the F&A and Communications Directors)

- Council membership
  - 8-12 Agency subject matter experts
  - Selection based on feedback from Agencies
  - Small, medium and large Agencies from all Secretariats are represented

VITA Customer Councils

- **Meeting statistics (since April, 2007); frequency is set by council members**
  - 5 - Partnership
  - 5 - Security
  - 4 - Customer Account Management
  - 2 - Communications
  - 4 - Supply Chain Management
  - 4 - Small Agency Council
  - 6 - IT Investment and Enterprise Solutions
  - 2 - ITIB Council

- **Each council distributes notes detailing meeting outcomes with the following information included: issues surfaced, responsible party, actions being taken to address the issue and finally a timeframe for completion**

VITA Customer Councils Questionnaire

Goal

- Learn how councils "feel" about the council concept and process
- Establish baseline data
- Use baseline data to monitor progress – 2nd questionnaire to go out in 6 months

Process

- Develop a short format (6 agree/disagree and 4 open-ended questions) questionnaire in consultation with Dr. Mary Guy Miller
- Share questionnaire with Directors and the ITIB Customer Council for comment
- Distribute questionnaire to council members via the Directors in late September

Findings will be used to improve the process

- Baseline what is working well and what could be changed
- Focus council priorities and re-evaluate the council mix
- Increase communication

VITA Customer Councils Questionnaire

Questionnaire Statistics

- 92 questionnaires sent out; 56 returned; 59% return rate
  - Partnership – 3 (total of 9 members)
  - Security -- 11 (11 members)
  - Customer Account Management – 7 (9 members)
  - Communications – 4 (7 members)
  - Supply Chain Management – 4 (9 members)
  - Small Agency Council – 15 (21 members)
  - IT Investment and Enterprise Solutions – 6 (14 members)
  - ITIB Council – 6 (12 members)

- Results compiled by council and overall

VITA Customer Councils Questionnaire Results

Survey Question	VITA Customer Councils								All Councils
	Small Agency Council	ITIB Customer Council	CAM	ITIES	SCM	Comms	ITP	Security	
The customer council concept has been a valuable tool in addressing key issues for my Agency.	4.3	3.1	3.2	3.3	3.5	2.5	4	3.9	3.5

- Indicates the council concept is catching on
- Communications council held 2 meetings due to membership changes
- Small Agency Council has a forum in which to be heard

ITIES = IT Investment and Enterprise Solutions
ITIB = Information Technology Investment Board
CAM = Customer Account Management
SCM = Supply Chain Management
ITP = Infrastructure Technology Partnership

1 – strongly disagree
2 – somewhat disagree
3 – don't know
4 – somewhat agree
5 – strongly agree

VITA Customer Councils Questionnaire Results

Survey Question	VITA Customer Councils								All Councils
	Small Agency Council	ITIB Customer Council	CAM	ITIES	SCM	Comms	ITP	Security	
My customer council is addressing the most important customer issues.	3.9	3.8	3.9	2.8	4.3	3.3	4.3	3.9	3.8

- As a baseline, we've started to address the right issues
- Customers have a forum to address specific issues in their areas of expertise (security, etc.)

ITIES = IT Investment and Enterprise Solutions
ITIB = Information Technology Investment Board
CAM = Customer Account Management
SCM = Supply Chain Management
ITP = Infrastructure Technology Partnership

1 – strongly disagree
2 – somewhat disagree
3 – don't know
4 – somewhat agree
5 – strongly agree

![VITA - Virginia Information Technologies Agency]

VITA Customer Councils Questionnaire Results

Survey Question	VITA Customer Councils								All Councils
	Small Agency Council	ITIB Customer Council	CAM	ITIES	SCM	Comms	ITP	Security	
I'm aware of changes VITA has made as a direct result of recommendations made by the customer councils.	3.6	2.4	2.9	2	2.8	2.8	4	3.2	2.9

- Increase communication
- Ensure information is being disseminated across all councils

ITIES = IT Investment and Enterprise Solutions
ITIB = Information Technology Investment Board
CAM = Customer Account Management
SCM = Supply Chain Management
ITP = Infrastructure Technology Partnership

1 – strongly disagree
2 – somewhat disagree
3 – don't know
4 – somewhat agree
5 – strongly agree

VITA Customer Councils Questionnaire Results

Survey Question	VITA Customer Councils								
	Small Agency Council	ITIB Customer Council	CAM	ITIES	SCM	Comms	ITP	Security	All Councils
I am pleased with improvements in customer service and satisfaction as a result of our customer council work.	3.2	2.6	2.6	2.1	2.8	2	2.6	3.4	2.7

- Results may be influenced by changes related to transformation
- Some councils have met more than others
- Responses range from somewhat disagree to don't know
- This may indicate that council members are just becoming comfortable with the council concept

ITIES = IT Investment and Enterprise Solutions
ITIB = Information Technology Investment Board
CAM = Customer Account Management
SCM = Supply Chain Management
ITP = Infrastructure Technology Partnership

1 – strongly disagree
2 – somewhat disagree
3 – don't know
4 – somewhat agree
5 – strongly agree

VITA Customer Councils Questionnaire Results

Survey Question	VITA Customer Councils								All Councils
	Small Agency Council	ITIB Customer Council	CAM	ITIES	SCM	Comms	ITP	Security	
Attending and participating in my customer council meetings has been a valuable use of my time.	4.2	3.6	4.1	3.3	4.5	2.5	4	4.4	3.8

- 2 Communications council meetings held
- Council members see value in spending time working on council issues

ITIES = IT Investment and Enterprise Solutions
ITIB = Information Technology Investment Board
CAM = Customer Account Management
SCM = Supply Chain Management
ITP = Infrastructure Technology Partnership

1 – strongly disagree
2 – somewhat disagree
3 – don't know
4 – somewhat agree
5 – strongly agree

VITA Customer Councils Questionnaire Results

Survey Question	VITA Customer Councils								All Councils
	Small Agency Council	ITIB Customer Council	CAM	ITIES	SCM	Comms	ITP	Security	
The communication and information I receive regarding my customer council meets the needs of my Agency.	3.9	2.7	3.2	2.8	2.8	2.4	3.6	4.5	3.2

- Communication is key – the more the better
- Make sure we have an understanding of what types of information our customers require and work toward that

ITIES = IT Investment and Enterprise Solutions
ITIB = Information Technology Investment Board
CAM = Customer Account Management
SCM = Supply Chain Management
ITP = Infrastructure Technology Partnership

1 – strongly disagree
2 – somewhat disagree
3 – don't know
4 – somewhat agree
5 – strongly agree

Questionnaire Results Summary

Survey Questions	VITA Customer Councils								All Councils
	Small Agency Council	ITIB Customer Council	CAM	ITIES	SCM	Comms	ITP	Security	
The customer council concept has been a valuable tool in addressing key issues for my Agency.	4.3	3.1	3.2	3.3	3.5	2.5	4	3.9	3.5
My customer council is addressing the most important customer issues.	3.9	3.8	3.9	2.8	4.3	3.3	4.3	3.9	3.8
I'm aware of changes VITA has made as a direct result of recommendations made by the customer councils.	3.6	2.4	2.9	2	2.8	2.8	4	3.2	2.9
I am pleased with improvements in customer service and satisfaction as a result of our customer council work.	3.2	2.6	2.6	2.1	2.8	2	2.6	3.4	2.7
Attending and participating in my customer council meetings has been a valuable use of my time.	4.2	3.6	4.1	3.3	4.5	2.5	4	4.4	3.8
The communication and information I receive regarding my customer council meets the needs of my Agency.	3.9	2.7	3.2	2.8	2.8	2.4	3.6	4.5	3.2

VITA Customer Councils
Questionnaire Results – Open-ended Questions

Question 1: What areas should this customer council be focusing on within the next 3 months? Next 6 months? Year?

- **Customer Account Management** – consensus within the next 3 – 6 months around improving communications to customers relative to transformation activities; next year – consensus around developing a standard customer relationship management program to be rolled out across VITA and the partnership

- **Small Agency Council** – consensus, regardless of timeframe, around providing services to small agencies in a more cost-effective way; look at ways to share resources and cut down on costs for all small agencies

- **ITIB Customer Council** – consensus around better defining roles and responsibilities within VITA and the partnership … who is best suited to solve a particular problem? Focus on ways VITA/Northrop Grumman can make Agencies feel more like customers; identify legitimate ways for agencies to reduce the cost of VITA's services; other priorities include improving procurement, the project management process and the upcoming data center move

- **IT Investment and Enterprise Solutions** – consensus around the scalability of project management oversight; utilization of simplified cost/benefit and the balanced scorecard process; simplify processes where possible to cut down on paperwork for agencies – does this add any value? When dealing with the delivery of projects, should address procurement and supply chain issues as well?

VITA Customer Councils
Questionnaire Results – Open-ended Questions

Question 1: What areas should this customer council be focusing on within the next 3 months? Next 6 months? Year?

- **Supply Chain Management** – consensus around improving procurement process; better communication; better defined roles and responsibilities and authority within VITA for the acquisition and delivery of contract goods and services; simplicity is key

- **Communications** – consensus around developing communications tools that everyone can understand (without the technical jargon); council members need some clarity around the entire purpose of the council itself

- **Partnership** – consensus around continuing to discuss transformation plans and the impact on agencies; don't "market" the plans to the agencies; introduce the ideas and then obtain agency input and make changes where practical; one council member felt we are moving "way too slowly"

- **Security** – plans for the next 12 months have been established and most are in agreement with the plan; consensus around hope that security will be seen as more of a part of the culture within Agencies in the coming months

VITA Customer Councils
Questionnaire Results – Open-ended Questions

Question 2: Describe the overall effectiveness of the customer council relationship with VITA.

- **Customer Account Management** – "the customer council concept has a lot of potential … depends on what we do with the recommendations;" "great forum for customers to get their problems out there;" "shows that VITA is willing to listen"

- **Small Agency** – "very good … I look forward to the meetings; all participants seem comfortable raising issues, presentations have been helpful;" "…small agencies now have a great listening ear"

- **ITIB Council** – "somewhat effective…time will tell;" "I believe it can improve customer service with VITA;" "good start … need to see more direct correlation between issues discussed and actions leading to improvement;" "always good to have a forum to talk, the opportunity is an asset"

- **ITIES** – "it is very useful to continue this dialogue among various agencies and VITA … the openness of VITA staff is appreciated;" "too early to tell ... staff is sincere in their efforts, unfortunately our history with VITA makes this effort questionable;" "don't tell us what we want to hear … change things for the better;" "has not appeared to be too successful yet, but only attended one meeting"

VITA Customer Councils
Questionnaire Results – Open-ended Questions

Question 2: Describe the overall effectiveness of the customer council relationship with VITA.

- **Supply Chain Management** – "it is very effective; there is good communication and sharing of both information and ideas;" "too soon to tell …"

- **Communications** – "too much hype, not enough nuts and bolts information; need more employee communication;" "need real change or the customer councils will just be seen as a public relations effort"

- **Partnership** – "it is a necessary element of change management and must continue;" "not very effective; in some meetings, there appears to be an unwillingness to think outside the box and think from the customer's perspective; stop trying to market and listen to the customer"

- **Security** – consensus that this council is effective and is organized well; "seems like VITA/Northrop Grumman have already made decision on policies, standards and products…" "allows VITA to hear from the front lines and adjust"

VITA Customer Councils
Questionnaire Results – Open-ended Questions

Question 3: What suggestions do you have for improving customer councils?

- **Customer Account Management** – "too early to tell but look forward to working on issues together;" consensus around rotating members

- **Small Agency** – consensus around continuing to look for ways to help agencies with few resources

- **ITIB Council** – consensus around sharing information among councils; need reports to management on what all councils are doing along with the status of corrective action plans

- **ITIES** – "client agencies have to have confidence that VITA will listen to its customers and actually implement changes;" "process facilitation should be tighter and group discussions managed"

VITA Customer Councils
Questionnaire Results – Open-ended Questions

Question 3: What suggestions do you have for improving customer councils?

- **Supply Chain Management** – improved communications; need to make sure information is shared from other councils; "just keep trying … the councils are new"

- **Communications** – "members of the councils should be informed sooner of steps to address concerns …;" "VITA's PR efforts have show improvement … however, the bottom line is the quality of service, response, equipment and imposing agency costs … that's where the biggest problems are …"

- **Partnership** – address the big issues; council needs an updated work plan; better communications among and between all councils; "meetings should be held in a town hall forum/style where a topic is thoroughly reviewed, with open questions and answers"

- **Security** – consensus around seeing tangible results vs. establishing a council "for show" or because it's a good business practice;" "senior leadership should promote the councils, make it priority;" "need to know exactly what powers the councils have"

VITA Customer Councils
Questionnaire Results – Open-ended Questions

Question 4: What else would you like us to know?

- **Customer Account Management** – "keep it up;" "effective leadership from the Board down is crucial"

- **Small Agency Council** – "work on providing a list of resources to small agencies for IT support"

- **ITIB Customer Council** – "narrow VITA's focus to those items critical to the Commonwealth and focus on them exclusively, all other areas should be delegated to the Agencies"

- **IT Investment and Enterprise Solutions** – "we appreciate this effort to involve Agencies more"; "VITA is too expensive … do more to cut down on costs"

- **Supply Chain Management** – "… VITA is an organization in its early developmental stages and is experiencing growing pains; a major concern is that we (purchasing) have not seen administrative efficiency, effectiveness or savings … " " … appreciate the opportunity to work with the council … and believe the SCM council is a positive way to bring visions together"

VITA Customer Councils
Questionnaire Results – Open-ended Questions

Question 4: What else would you like us to know?

- **Communications** – use technology to facilitate meetings (tele or audio conferences); "recognize that VITA has a huge PR problem and address it…"

- **Partnership** – "I admire the effort, I just hope we're not simply going through the motions"

- **Security** – "I recommend surveys of the councils at six-month intervals … ;" "it appears that the council has given customers an awareness of the work of VITA, which to outsiders, might appear to be a big bureaucracy; when these types of councils are engaged properly by management and customers, they can become catalysts for change and improvement"

VITA Customer Councils Questionnaire

Next steps

- Share results with each council
  - By council and overall
  - Share responses to open-ended questions and solicit additional feedback
- Create work plans based on questionnaire results and council input
  - Prioritize issues with council members
  - Include status reporting
- Continue to work on a communications plan for sharing information across councils

2008 Customer Satisfaction Survey Update

- Establish a customer satisfaction survey committee consisting of VITA and Northrop Grumman staff

- Organize general categories for the survey

- Involve 3rd party support for developing the survey if necessary

- Survey to go out in Spring 2008

For More Information on VITA

www.vita.virginia.gov

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